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DEPARTMENT OF AGRICULTURE.

Agricultural Adjustment Administration.

G. S. Q. R., Series 3, Revision 2 Issued July 2, 1936

[General Sugar Quota Regulations, Series 3, Revision 2]

Sugar Consumption Requirements and Quotas for the Calendar Year 1936

By virtue of the authority vested in the Secretary of Agriculture by Public Resolution No. 109, 74th Congress, approved June 19, 1936, and by the Agricultural Adjustment Act, approved May 12, 1933, as amended (hereinafter referred to as the "act") I, M. L. Wilson, Acting Secretary of Agriculture, in order to regulate commerce with Cuba and other foreign countries, among the several States, with the Territories and possessions of the United States and the Commonwealth of the Philippine Islands, with respect to sugar, having due regard to the welfare of domestic producers and to the protection of domestic consumers and to a just relation between the prices received by domestic producers and the prices paid by domestic consumers, do hereby make, prescribe, publish, and give public notice of these regulations (superseding General Sugar Quota Regulations, Series 3, Revision 1, and General Sugar Quota Regulations, Series 3, Revision 1, Supplement 1[1]), which shall have the force and effect of law and shall remain in force and effect until amended or superseded by regulations hereafter made by the Secretary of Agriculture.

I

The consumption requirements of sugar for the continental United States for the calendar year 1936, established pursuant to the said Public Resolution No. 109, are 6,434,088 short tons of sugar, raw value, being that amount initially established by the Secretary of Agriculture for the calendar year 1936 in General Sugar Quota Regulations, Series 3, No. 1, issued December 28, 1935.

II

1. It is hereby determined, pursuant to section 8a (2) (A) of the said act, that the said consumption requirements of 6,434,088 short tons of sugar, set forth in section 1 hereof, should be, and they are hereby, adjusted by increasing the said amount by 378,599 short tons of sugar, raw value, in order to meet the actual requirements of the consumer for the continental United States for the calendar year 1936.

2. It is hereby determined, pursuant to section 8a (2) (B) of the said act, that 30 percent of the amount by which the aforesaid consumption requirements, as adjusted, exceed 6,452,000 short tons of sugar, raw value, specified in section 8a (2) (B) of the said act, is 108,206 short tons of sugar, raw value, representing that portion of the aforesaid consumption requirements hereinafter allotted to the continental United States, and the balance of 70 percent of such amount is 252,481 short tons of sugar, raw value, representing that portion of the aforesaid consumption requirements hereinafter allotted to sugar producing areas other than the continental United States.

3. It is hereby determined, pursuant to section 8a (2) (B) of the said act, that the difference between 6,452,000 short tons of sugar, raw value, specified in section 8a (2) (B) of the said act, and the consumption requirements of 6,434,088 short tons of sugar, raw value, established by the said Public Resolution No. 109, is 17,912 short tons of sugar, raw value, representing the quantity hereinafter allotted to all sugar producing areas in proportion to the quotas established for such areas by the said Public Resolution No. 109, as set forth in General Sugar Quota Regulations, Series 3, No. 1.

4. It is hereby determined, pursuant to section 8a (2) (D) of the said act, that for the calendar year 1936 the continental United States Beet Sugar Producing area will be unable by an amount of 207,821 short tons of sugar, raw value, to produce and deliver the quota established for that area by the said Public Resolution No. 109, as set forth in General Sugar Quota Regulations, Series 3, No. 1.

III

1. There are hereby allotted, pursuant to the said Public Resolution No. 109 and to section 8a (1) (B) of the said act, to the continental United States, for the calendar year 1936, out of the aforesaid consumption requirements, as adjusted, the following quantities:

	In terms of short tons, raw value
Continental United States Beet Sugar Producing area	1,550,000
The States of Louisiana and Florida	260,000

2. There is hereby allotted, pursuant to the determinations made in paragraphs 2 and 4 of Section II hereof and to section 8a (2) (B) of the said act, to the States of Louisiana and Florida for the calendar year 1936, out of the aforesaid consumption requirements, as adjusted, 108,206 short tons of sugar, raw value, representing 30 percent of the amount by which the aforesaid consumption requirements, as adjusted, exceed 6,452,000 short tons of sugar, raw value, specified in section 8a (2) (B) of the said act.

3. There is hereby allotted, pursuant to the determination made in paragraph 3 of section II hereof and to section 8a (2) (B) of the said act, to the States of Louisiana and Florida,[2] for the calendar year 1936, out of the aforesaid consumption requirements, as adjusted, 724 short tons of sugar, raw value, representing a pro rata share of the difference between 6,452,000 short tons of sugar, raw value, speci-

[1] 1 F. R. 182, 761.

[2] In view of the determination made in paragraph 4 of section II, the pro rata share which would otherwise go to the Continental United States Beet Sugar Producing area is allotted as a deficiency under paragraph 4 of section III.

FEDERAL REGISTER

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fied in section 8a (2) (B) of the said act, and the consumption requirements of 6,434,088 short tons of sugar, raw value, established by the said Public Resolution No. 109.

4. There are hereby allotted, pursuant to section 8a (2) (D) of the said act, to sugar producing areas other than the Continental United States Beet Sugar Producing area, for the calendar year 1936, out of the deficiency of 207,821 short tons of sugar, raw value, determined in paragraph 4 of section II hereof and of the amount of 4,315 short tons of sugar, raw value, which would be allotted to the Continental United States Beet Sugar Producing area, pursuant to the determination made in paragraph 3 of section II hereof and to section 8a (2) (B) of the said act, but for the determination made in the said paragraph 4 of section II,[2] the following quantities:

	In terms of short tons, raw value
The States of Louisiana and Florida	11,293
Territory of Hawaii	40,880
Puerto Rico	34,804
Philippines	43,352
Virgin Islands	229
Cuba	80,464
Other foreign countries	1,114
Total	212,136

5. There are hereby allotted, pursuant to paragraphs 1, 2, 3, and 4 of this section, and to the provisions of the said act and the said Public Resolution No. 109, referred to therein, the following quotas:

	Quotas in terms of short tons, raw value
Continental United States Beet Sugar Producing area	1,550,000
The States of Louisiana and Florida	380,223
Territory of Hawaii	1,036,090
Puerto Rico	882,084
Philippines	1,098,738
Virgin Islands	5,796
Cuba	2,039,349
Foreign countries other than Cuba	28,228

6. Out of the 28,228 short tons of sugar, raw value, established as the quota for foreign countries other than Cuba, there is hereby allotted, pursuant to the said Public Resolution No. 109 and to sections 8a (1) (A), 8a (2) (B), and 8a (2) (D) of the said act, for the calendar year 1936, to the countries named below, the quantity set opposite the name of each:

Country	*Quotas in pounds*
Argentina	14,577
Australia	204
Belgium	294,308
Brazil	1,197
British Malaya	26
Canada	564,205
China and Hongkong	288,114
Columbia	267
Costa Rica	20,597
Czechoslovakia	263,302
Dominican Republic	6,668,480
Dutch East Indies	211,384
Dutch West Indies	6
France	175
Germany	117
Guatemala	334,902
Haiti, Republic of	921,614
Honduras	3,432,568
Italy	1,751
Japan	4,009
Mexico	6,031,877
Netherlands	217,865
Nicaragua	10,221,004
Peru	11,114,100
Salvador	8,208,542
United Kingdom	350,667
Venezuela	290,002
Subtotal	49,455,860
Unallotted reserve	7,000,140
Total	56,456,000

The difference between the 28,228 short tons of sugar, raw value, and the quotas allotted in this paragraph, to wit, 24,727.93 short tons of sugar, raw value, represents a reserve of 3,500.07 short tons of sugar, raw value, for further allotment to foreign countries other than Cuba.

IV

It is hereby determined, pursuant to the said Public Resolution No. 109 and to section 8a (1) (A) of the said act:

1. That 22 percent of the quota established for Cuba for the calendar year 1936, as determined in paragraph 5 of section III hereof, is 448,657 short tons of sugar, raw value.

2. That the quotas fixed in section III hereof for the following listed areas may be filled by shipments of direct-con-

[2] In view of the determination made in paragraph 4 of section II, the pro rata share which would otherwise go to the Continental United States Beet Sugar Producing area is allotted as a deficiency under paragraph 4 of section III.

sumption sugar not in excess of the following amount for each such area:

	Amounts of direct-consumption sugar (in terms of short tons, raw value
Territory of Hawaii	29,616
Puerto Rico	126,033
Philippines	80,214
Cuba	448,657

V

1. For the calendar year 1936, processors, persons engaged in the handling of sugar, and others, are hereby forbidden, pursuant to section 8a (1) (A) of the said act, from importing into continental United States for consumption, or which shall be consumed therein, and/or from transporting to, or receiving in, continental United States for consumption therein, and/or from processing in any area to which the said act is and/or has been made applicable, for consumption in continental United States, any sugar from any area, except "Continental United States Beet Sugar Producing area", "The States of Louisiana and Florida", and "Foreign Countries other than Cuba", listed in paragraph 5 of section III and in paragraph 2 of section IV, in excess of the respective amounts indicated for each such area in the said paragraph 5 of section III and in the said paragraph 2 of section IV.

2. For the calendar year 1936, processors, persons engaged in the handling of sugar, and others, are hereby forbidden pursuant to section 8a (1) (A) of the said act, from importing into continental United States for consumption, or which shall be consumed therein, and/or from transporting to, or receiving in, continental United States for consumption therein, and/or for processing in any area to which the said act is and/or has been made applicable, for consumption in continental United States, any sugar from any area listed in paragraph 6 of section III hereof, in excess of the respective amounts indicated for each such area in the said paragraph 6 of section III.

3. For the calendar year 1936, processors, persons engaged in the handling of sugar, and others, are hereby forbidden from processing or marketing in continental United States any sugar imported into, transported to, or received in continental United States or processed outside of continental United States in violation of paragraphs 1 and 2 of this section.

4. For the calendar year 1936, processors, persons engaged in the handling of sugar, and others are hereby forbidden, pursuant to section 8a (1) (B) of the said act, from marketing in, or in the current of, or so as directly to burden, obstruct, or affect interstate and foreign commerce, sugar manufactured from sugar beets and/or sugarcane, produced in the continental United States in excess of the quotas fixed by paragraph 5 of section III.

VI

1. In translating any sugar into terms of raw value for purposes of quota measurements, there shall be used the formula and tables of conversion factors established in Sugar Regulations, Series 1, No. 1, issued February 1935.

2. The term "sugar" as used in these regulations does not include edible molasses, sugar sirup, refiners' sirup, invert sirup, sirup of cane juice, and sugar mixtures, for use as such and not for the extraction of sugar.

3. The terms "edible molasses", "sugar sirup", "refiners' sirup", "invert sirup", "sirup of cane juice", and "sugar mixtures" as used in these regulations shall have the meanings assigned to them in the definitions established by Sugar Regulations, Series 1, No. 1, issued February 1935.

In testimony whereof, I have hereunto set my hand and caused the official seal of the Department of Agriculture to be affixed in the District of Columbia, city of Washington, this 2nd day of July 1936.

[SEAL] M. L. WILSON,
Acting Secretary of Agriculture.

[F. R. Doc. 1091—Filed, July 3, 1936; 11:51 a. m.]

[Docket No. A-32 O-32]

NOTICE OF HEARING WITH RESPECT TO A PROPOSED MARKETING AGREEMENT AND A PROPOSED ORDER REGULATING THE HANDLING OF MILK IN THE DISTRICT OF COLUMBIA MARKETING AREA

Whereas, under the Agricultural Adjustment Act, as amended, notice of hearing is required in connection with a proposed marketing agreement or a proposed order, and the General Regulations, Series A, No. 1, as amended, of the Agricultural Adjustment Administration, United States Department of Agriculture, provide for such notice; and

Whereas, the Secretary of Agriculture has reason to believe that the execution of a marketing agreement and the issuance of an order will tend to effectuate the declared policy of Title I of the Agricultural Adjustment Act, as amended, with respect to the handling of milk in the District of Columbia Marketing Area;

Now, therefore, pursuant to the said act and said general regulations notice is hereby given to a hearing to be held on a proposed marketing agreement and a proposed order regulating the handling of milk in the District of Columbia Marketing Area, in the Auditorium, South Building, United States Department of Agriculture, Washington, D. C., on July 20, 1936, at 9:30 a. m.

This public hearing is for the purpose of receiving evidence as to the general economic conditions which may necessitate regulation in order to effectuate the declared policy of the act and as to the specific provisions which a marketing agreement and order should contain.

The proposed marketing agreement and the proposed order each embodies, in similar terms, a plan for the regulation of such handling of milk in the District of Columbia Marketing Area as is in the current of interstate commerce, or which directly burdens, obstructs, or affects interstate commerce in such milk. Among other things, the proposed marketing agreement and order provide for: (a) selection of a market administrator; (b) classification of milk; (c) minimum prices; (d) payments to producers through the use of individual handler pools; (e) reports of handlers; (f) expense of administration.

Copies of the proposed marketing agreement and proposed order may be inspected in or procured from the office of the Hearing Clerk, Room 4725, South Building, United States Department of Agriculture, Washington, D. C.

[SEAL] M. L. WILSON,
Acting Secretary of Agriculture.

WASHINGTON, D. C., *July 2, 1936.*

[F. R. Doc. 1092—Filed, July 3, 1936; 11:51 a. m.]

E. C. R.—B-1 Revised—Supplement (k) Issued July 2, 1936

1936 AGRICULTURAL CONSERVATION PROGRAM—EAST CENTRAL REGION

BULLETIN NO. 1 REVISED—SUPPLEMENT (K)

Small Grains or Annual Grasses for Hay, or Sorghums for Hay or Forage

Part IV, Classification of Crops, of East Central Region Bulletin No. 1 Revised,[1] is hereby amended by adding after the first paragraph the following new paragraph:

In the case of any farm for which the county committee finds that the production of feed crops in 1936 is less than the normal production of such crops for such farm because of drought or other unfavorable weather conditions, an acreage of small grains or annual grasses for hay, or sorghums for hay or forage, which the county committee finds will produce a quantity of feed not in excess of the quantity required to replace the shortage of feed crops caused by the drought or other unfavorable weather conditions, seeded after June 1, 1936, may be harvested in 1936 and the crop disregarded in classifying the use of the land on which grown, notwithstanding the provisions of sections 1 and 2 of this Part IV.

In testimony whereof, M. L. Wilson, Acting Secretary of Agriculture, has hereunto set his hand and caused the

[1] 1 F.R. 291.

official seal of the Department of Agriculture to be affixed in the City of Washington, District of Columbia, this 2nd day of July 1936.

[SEAL] M. L. WILSON,
Acting Secretary of Agriculture.

[F. R. Doc. 1090—Filed, July 3, 1936; 11:50 a. m.]

Bureau of Public Roads.

AMENDMENT NO. 1 TO THE RULES AND REGULATIONS OF THE SECRETARY OF AGRICULTURE FOR CARRYING OUT THE FEDERAL HIGHWAY ACT (EXCEPT THE PROVISIONS THEREOF RELATING TO FOREST ROADS) PROMULGATED FEBRUARY 27, 1935

Pursuant to the authority conferred upon the Secretary of Agriculture by the Federal Highway Act of November 9, 1921 (42 Stat. 212), and acts mandatory thereof and supplementary thereto, Regulation 19 of the Rules and Regulations promulgated February 27, 1935, for carrying out the provisions of said Act is hereby amended by adding thereto a new section, to be numbered section 2 and to read, as follows:

SECTION 2. In any State which the Secretary shall find is applying the proceeds of the State motor-vehicle registration fees, licenses, gasoline taxes, and other special taxes on motor-vehicle owners and operators of all kinds to highway purposes, except construction, as defined in section 12 of the Act of June 18, 1934 (48 Stat. 993), and has insufficient balance remaining for construction with which to match all or any part of its Federal aid apportionments for either or both of the fiscal years 1936 and 1937, in accordance with the provisions of the Federal Highway Act of 1921, as amended and supplemented, all or such portion of such apportionments as the Secretary may find the State is unable to match may be expended in such State without being matched with State funds, as provided in paragraph (d) of section 1 of the Act of June 16, 1936 (Public, No. 686, 74th Cong).

Applications under this section may be submitted by a State highway department through the District Engineer of the Bureau of Public Roads on forms provided by that Bureau. A special agreement will be entered into with each State highway department covering projects under this regulation. A certified statement will be required quarterly showing in detail the collections of the taxes enumerated in this section and the disposition of same. This statement will be subject to audit and check against the original records of the State by representatives of the Bureau of Public Roads.

Done at the City of Washington this 2d day of July 1936, as witness my hand and the seal of the Department of Agriculture.

[SEAL] M. L. WILSON,
Acting Secretary of Agriculture.

[F. R. Doc. 1089—Filed, July 3, 1936; 11:50 a. m.]

FEDERAL TRADE COMMISSION.

United States of America—Before Federal Trade Commission

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 25th day of June A. D. 1936.

Commissioners: Charles H. March, Chairman; Garland S. Ferguson, Jr.; Ewin L. Davis; W. A. Ayres; Robert E. Freer.

Docket No. 1790

IN THE MATTER OF PASQUALE MARGARELLA

ORDER APPOINTING EXAMINER AND FIXING TIME AND PLACE FOR TAKING TESTIMONY

This matter being at issue and ready for the taking of testimony, and pursuant to authority vested in the Federal Trade Commission, under an Act of Congress (38 Stat. 717; 15 U. S. C. A., Section 41),

It is ordered that Miles J. Furnas, an examiner of this Commission, be and he hereby is designated and appointed to take testimony and receive evidence in this proceeding and to perform all other duties authorized by law.

It is further ordered that the taking of testimony in this proceeding begin on Friday, July 10, 1936, at two o'clock in the afternoon of that day, eastern standard time, at Room 823, 45 Broadway, New York, New York.

Upon completion of testimony for the Federal Trade Commission, the Examiner is directed to proceed immediately to take testimony and evidence on behalf of the respondent. The Examiner will then close the case and make his report.

By the Commission.

[SEAL] OTIS B. JOHNSON, *Secretary.*

[F. R. Doc. 1086—Filed, July 3, 1936; 9:17 a. m.]

United States of America—Before Federal Trade Commission

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 25th day of June A. D. 1936.

Commissioners: Charles H. March, Chairman; Garland S. Ferguson, Jr.; Ewin L. Davis; W. A. Ayres; Robert E. Freer.

Docket No. 2727

IN THE MATTER OF NUWAY PRINTING COMPANY, A CORPORATION, ALSO TRADING AS PROFESSIONAL RECORD CARD COMPANY

ORDER APPOINTING EXAMINER AND FIXING TIME AND PLACE FOR TAKING TESTIMONY

This matter being at issue and ready for the taking of testimony, and pursuant to authority vested in the Federal Trade Commission, under an Act of Congress (38 Stat. 717; 15 U. S. C. A., Section 41),

It is ordered that John W. Norwood, an examiner of this Commission, be, and he hereby is, designated and appointed to take testimony and receive evidence in this proceeding and to perform all other duties authorized by law;

It is further ordered that the taking of testimony in this proceeding begin on Thursday, July 9, 1936, at ten o'clock in the forenoon of that day (central standard time), in room 1123, New Post Office Building, 433 West Van Buren Street, Chicago, Illinois.

Upon completion of testimony for the Federal Trade Commission, the examiner is directed to proceed immediately to take testimony and evidence on behalf of the respondent. The examiner will then close the case and make his report.

By the Commission.

[SEAL] OTIS B. JOHNSON, *Secretary.*

[F. R. Doc. 1087—Filed, July 3, 1936; 9:17 a. m.]

United States of America—Before Federal Trade Commission

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 25th day of June A. D. 1936.

Commissioners: Charles H. March, Chairman; Garland S. Ferguson, Jr.; Ewin L. Davis; W. A. Ayres; Robert E. Freer.

Docket No. 2808

IN THE MATTER OF D. GOLDENBERG, INC., A CORPORATION, AND FRANK RABINOWITZ, AN INDIVIDUAL, TRADING AS NOVELTY SWEETS COMPANY

ORDER APPOINTING EXAMINER AND FIXING TIME AND PLACE FOR TAKING TESTIMONY

This matter being at issue and ready for the taking of testimony, and pursuant to authority vested in the Federal Trade Commission, under an Act of Congress (38 Stat. 717; 15 U. S. C. A., Section 41),

It is ordered that Miles J. Furnas, an examiner of this Commission, be, and he hereby is, designated and appointed to take testimony and receive evidence in this proceeding and to perform all other duties authorized by law.

It is further ordered that the taking of testimony in this proceeding begin on Tuesday, July 7, 1936, at one o'clock in the afternoon of that day, eastern standard time, at Room 313, United States Post Office, 9th Street, Philadelphia, Pennsylvania.

Upon completion of testimony for the Federal Trade Commission, the Examiner is directed to proceed immediately to take testimony and evidence on behalf of the respondent. The Examiner will then close the case and make his report.

By the Commission.

[SEAL] OTIS B. JOHNSON, *Secretary.*

[F. R. Doc. 1088—Filed, July 3, 1936; 9:18 a. m.]

INTERSTATE COMMERCE COMMISSION.

[Fourth Section Application No. 16406]

MOLASSES AND SYRUP FROM, TO, AND BETWEEN POINTS IN THE SOUTH

JULY 3, 1936.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: J. E. Tilford, Agent.
Commodities involved: Molasses and syrup, in less-than-carload quantities.
Territory: From, to, and between points in southern territory.
Grounds for relief: Carrier competition.

Any interested party desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice; otherwise the Commission may proceed to investigate and determine the matters involved in such application without further or formal hearing.

By the Commission, division 2.

[SEAL] GEORGE B. MCGINTY, *Secretary.*

[F. R. Doc. 1097—Filed, July 3, 1936; 12:33 p. m.]

[Fourth Section Application No. 16407]

STOVES AND HOLLOWARE FROM THE SOUTH

JULY 3, 1936.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act,

Filed by: J. E. Tilford, Agent.
Commodities involved: Electric stoves and ranges, fireplace grates and grate baskets, in straight or mixed carloads.
From: Points in southern territory.
To: Points in official territory, Ohio River gateways and Virginia cities.
Grounds for relief: Carrier competition, circuitous routes, and to maintain grouping.

Any interested party desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice; otherwise the Commission may proceed to investigate and determine the matters involved in such application without further or formal hearing.

By the Commission, division 2.

[SEAL] GEORGE B. MCGINTY, *Secretary.*

[F. R. Doc. 1096—Filed, July 3, 1936; 12:32 p. m.]

[Fourth Section Application No. 16408]

RATES—LYKES-COASTWISE LINE

JULY 3, 1936.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act,

Filed by: Lykes-Coastwise Line, Inc.
Commodity involved: Class and commodity rates.
Between: North Atlantic ports and interior points, on the one hand, and points in the Southwest and western trunk line, on the other hand.
Grounds for relief: Carrier competition.

Any interested party desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice; otherwise the Commission may proceed to investigate and determine the matters involved in such application without further or formal hearing.

By the Commission, division 2.

[SEAL] GEORGE B. MCGINTY, *Secretary.*

[F. R. Doc. 1095—Filed, July 3, 1936; 12:32 p. m.]

[Fourth Section Application No. 16409]

SUGAR FROM LOUISIANA TO CINCINNATI, O.

JULY 3, 1936.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act,

Filed by: B. T. Jones, Agent.
Commodity involved: Sugar, in carloads, minimum weight 80,000 pounds.
From: New Orleans, Gramercy, Reserve, and Three Oaks, La.
To: Cincinnati, O.
Grounds for relief: Circuitous routes.

Any interested party desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice; otherwise the Commission may proceed to investigate and determine the matters involved in such application without further or formal hearing.

By the Commission, division 2.

[SEAL] GEORGE B. MCGINTY, *Secretary.*

[F. R. Doc. 1094—Filed, July 3, 1936; 12:32 p. m.]

[Fourth Section Application No. 16410]

FERTILIZER FROM BELLE, W. VA., TO SOUTHERN TERRITORY

JULY 3, 1936.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act,

Filed by: B. T. Jones, Agent.
Commodities involved: Manufactured fertilizer and articles taking same rates, except sulphate of ammonia and ammoniacal liquor.
From: Belle, W. Va.
To: Points in southern territory.
Grounds for relief: Carrier competition and to maintain grouping.

Any interested party desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice; otherwise the Commission may proceed to investigate and determine the matters involved in such application without further or formal hearing.

By the Commission, division 2.

[SEAL] GEORGE B. MCGINTY, *Secretary.*

[F. R. Doc. 1093—Filed, July 3, 1936; 12:32 p. m.]

SECURITIES AND EXCHANGE COMMISSION.

United States of America—Before the Securities and Exchange Commission

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 1st day of July A. D. 1936.

File No. 36-21

IN THE MATTER OF THE APPLICATION OF NEVADA-CALIFORNIA ELECTRIC CORPORATION

ORDER APPROVING ACQUISITION OF SECURITIES PURSUANT TO SECTION 10 OF THE PUBLIC UTILITY HOLDING COMPANY ACT OF 1935

The Nevada-California Electric Corporation, having filed an application with the Commission pursuant to Section 10 (a) of the Public Utility Holding Company Act of 1935 for the approval of the acquisition by it of all the properties and assets of the Cain Irrigation Company and the Hillside Water Company;

Notice and opportunity for hearing on said application having been duly given, the record in this matter having been duly considered, and the Commission having duly made and filed its Findings herein;

It is ordered that such acquisition be, and the same is hereby, approved, on condition that the terms and conditions of such acquisition shall be in substantial compliance with the terms and conditions set forth in the application. Nothing contained in this order shall be deemed to constitute an approval by the Commission of the capital structure of the applicant or the valuation at which the assets acquired from the two subsidiary companies are carried on their books or are to be carried on the books of the applicant.

It is further ordered that promptly upon effecting such acquisition, the applicant shall notify the Commission that it has acquired a valid title to the above mentioned assets and that such acquisition has been effected in accordance with the terms and conditions set forth in the application.

By the Commission.

[SEAL] FRANCIS P. BRASSOR, *Secretary.*

[F. R. Doc. 1081—Filed, July 2, 1936; 1:36 p. m.]

HOLDING COMPANY ACT

[Release No. 271]

RULES UNDER SECTION 17 (C) AND AMENDMENT TO RULE 3D-5

The Securities and Exchange Commission, acting pursuant to the authority granted by the Public Utility Holding Company Act of 1935, particularly Section 17 (c) thereof, and finding that, in the cases specified in the following rules, and subject to the conditions and limitations therein prescribed, it will not adversely affect the public interest or the interest of investors or consumers for a registered holding company or subsidiary company thereof to have as an officer or director thereof, an executive officer, director, partner, appointee, or representative of a bank, trust company, investment banker, or banking association or firm, or an executive officer, director, partner, appointee, or representative of a corporation a majority of whose stock, having the unrestricted right to vote for the election of directors, is owned by a bank, trust company, investment banker, or banking association or firm, hereby adopts the following rules:

RULE 17C-1. *Definitions of Terms Used in Section 17 (c) and Rules Thereunder.*—(a) As used in Section 17 (c) of the Public Utility Holding Company Act of 1935, and in the rules and regulations thereunder:

(1) "Executive officer" means the Chairman of the Board of Directors, the Chairman of the Executive Committee, the President, every Vice-President, the Cashier, Secretary, Treasurer, and Trust Officer of a financial institution, and, in addition, every other officer who participates in the management thereof, regardless of whether he has an official title or whether his title contains a designation of assistant, and regardless of whether he is serving without salary or other compensation; but such term does not include a director or member of a committee who is not also an executive officer within the foregoing definition; in the case of a partnership, "executive officer" includes a partner thereof;

(2) "Director" means any director of a corporation or any individual who performs similar functions in respect of any company, including a partner in respect of a partnership, a trustee of a mutual savings bank, and a trustee of a voting trust (but such a voting trustee shall not be deemed an officer of such trust);

(3) "Investment banker" means a person engaged in business as an underwriter or a dealer as those terms are defined in the Securities Act of 1933, but does not include a bank, trust company, banking association or banking firm which cannot lawfully underwrite or participate in the marketing of securities of a public-utility or holding company.

(b) As used in the rules and regulations under Section 17 (c), unless the context otherwise requires:

(1) "Company" means a registered holding company or subsidiary company thereof;

(2) "Financial institution" means a bank, trust company, investment banker, banking association, or banking firm, or any corporation (other than a registered holding company or subsidiary company thereof) a majority of whose stock, having the unrestricted right to vote for the election of directors, is owned by a financial institution;

(3) "Financial connection": a person shall be deemed to have a "financial connection" if, and only if, he is an executive officer, director, partner, appointee, or representative of a financial institution.

RULE 17C-2. *Officers or Directors Exempted by Federal Power Commission.*—A public-utility company as defined by the Federal Power Act, which is also a registered holding company or subsidiary company thereof, may have as an officer or director, or both, a person who has been authorized by order of the Federal Power Commission pursuant to the provisions of Section 305 (b) of said Act to hold such position, if such person has a financial connection (as defined in Rule 17C-1) which, in the absence of such order, would make it unlawful under said Section 305 (b) for him to hold such position, and if such person has no other financial connections other than those permitted by this or by any other rule under Section 17 (c).

RULE 17C-3. *Officers and Directors Approved by a Federal Court.*—A registered holding company or subsidiary company thereof may have as an officer or director, or both, a person who has a financial connection (as defined in Rule 17C-1), if a court of the United States, in connection with a reorganization of such company or of a predecessor thereof, has specifically directed or approved of the election or appointment of such person as a director or officer of such company: *Provided*, That such person shall not, by virtue of this Rule, be eligible for such position for a period of more than three years after such direction or approval was last given by such court. If any such court, in connection with such a proceeding, shall have designated or approved of the appointment of any person as a voting trustee under a voting trust agreement provided for by such a plan of reorganization, such person shall be eligible to hold such office either for the term prescribed by such voting trust agreement or for a period of three years after such designation or approval, whichever term shall be the longer, and any such person shall also, for a period of three years after such designation or approval, be eligible as an officer or director, or both, of the issuer of any stock which is held in such voting trust. The provisions of this Rule shall cease to be applicable with respect to any such person if, after such designation or approval, he shall acquire any new financial connection other than such as are permitted by rules under Section 17 (c). As long as a company is permitted by virtue of this Rule to have a person as an officer or director, any subsidiary company thereof which is engaged in the business of performing services or construction for, or selling goods to, associate companies and all of whose outstanding voting securities (except the minimum number of shares required to qualify directors for office) are owned by such company, may also have such person as an officer or director.

RULE 17C–4. *Owners of Securities.*—Subject to the provisions of Rule 17C–9, a registered holding company or subsidiary company thereof may have as an officer or director, or both,

(1) Any person who is both the owner of record and the owner of the entire beneficial interest in 10 per cent or more of the outstanding voting securities of such company, regardless of such person's financial connections; and

(2) Any person who is an executive officer, director, partner, appointee, or representative of a financial institution and who has no financial connections (as defined in Rule 17C–1) other than those permitted by this or by any other rule under Section 17 (c), if such financial institution, directly or indirectly, owns, controls, or holds with power to vote, more than 50 per cent of the outstanding voting securities of such company;

but no such company shall have any such person as an officer if such person is also an executive officer of such financial institution. As long as a company is permitted by this Rule to have a person as an officer or director any subsidiary company thereof may also have such person as an officer or director.

RULE 17C–5. *Federal Financial Institutions, Savings Banks, and Similiar Institutions.*—A registered holding company or subsidiary company thereof may have as an officer or director, or both, a person who is an executive officer, director, partner, appointee, or representative of a financial institution and who has no financial connections (as defined in Rule 17C–1) other than those permitted by this or by any other Rule under Section 17 (c), if such financial institution is—

(1) A bank or banking association which is organized under any laws of the United States other than the laws providing for the organization of national banking associations; or

(2) A mutual savings bank organized as such under the laws, of a State; or

(3) A financial institution other than an investment banker, which does not accept deposits or of which not more than 15 per cent of the total deposits at the end of the last calendar year were payable on demand without a contractual right on the part of such financial institution to restrict the time of withdrawal: *Provided*, That such financial institution neither, directly or indirectly, controls nor is controlled by or under common control with any investment banker or any financial institution which accepts deposits, except a financial institution described in this Rule.

RULE 17C–6. *Limitations on Number of Directors and Officers Having Financial Connections.*—Notwithstanding any provision of any rule under Section 17 (c), not more than one-third of the directors of any registered holding company or subsidiary company thereof shall at any time after August 26, 1936, be persons who are executive officers, directors, partners, appointees, or representatives of any bank, trust company, investment banker, banking association or banking firm, except that this provision shall not be applicable to any persons who are eligible to such positions pursuant to the provisions of Rule 17C–2, 17C–3, 17C–4, or 17C–5.

RULE 17C–7. *Institutions Having Specified Loaning Capacity, or Located in Territory Served.*—Subject to the provisions of Rule 17C–9, a registered holding company or subsidiary company thereof may have as an officer or director, or both, a person who is an executive officer, director, or partner (but not an appointee or representative) of any financial institution other than an investment banker, if such person has no financial connections (as defined in Rule 17C–1) other than those permitted by this or by any other rule under Section 17 (c): *Provided*, That one of the following conditions is satisfied:

(1) Such financial institution at the end of the last calendar year did not have authority, under the laws applicable to its operations, to lend to any one borrower on an unsecured basis an amount in excess of $200,000 or, if there was no such limitation on its lending power, did not have capital and surplus (including partners' balances) in excess of $2,000,000; or

(2) 70 percent or more of the gross revenues (on a consolidated basis) which such company and all subsidiary companies thereof, if any, derived from their operations as public-utility companies during the last calendar year were derived by such company from its own operations as a public-utility company; and the residence of such officer or director and the principal office or a branch of such financial institution are situated in the territory served by such company or within 100 miles of the principal operating office which such company maintains in such territory;

but no such company shall have any such person as an officer if such person is also an executive officer of such financial institution. Any company which is permitted by this Rule to have a person as an officer or director during any calendar year may continue to have him as such during the first three months of the next calendar year.

RULE 17C–8. *Financial Institutions Having an Interset in the Company.*—Subject to the provisions of Rule 17C–9, a registered holding company or subsidiary company thereof may have as an officer or director, or both, a person who is an appointee or representative (who may also be an executive officer, director, or partner) of any financial institution other than an investment banker, if such person has no financial connections (as defined in Rule 17C–1) other than those permitted by this or any other Rule under Section 17 (c): *Provided*, That one of the following conditions is satisfied:

(1) Such financial institution holds as collateral security for a debt which is and has been for 30 days or more in default in payment of principal or interest, or owns, as a result of the liquidation (by a reorganization or otherwise) of a bona fide debt owing to such financial institution or to a predecessor thereof, securities issued or assumed by such company having a principal amount or part or stated value (or, if no par or stated value, a liquidating value) amounting in the aggregate to 2 per cent or more of the total assets of such company: *Provided*, That such financial institution either is not a trustee under any trust indenture or similar agreement with respect to any class of securities issued or assumed by such company or, if it is such a trustee it is not, in its own right, a creditor of such company or the owner of any securities issued or assumed by such company other than of the class issued under such trust indenture or agreement; or

(2) Such financial institution has acquired ownership, in its own right, in a manner otherwise than as specified in subparagraph (1) above, of securities issued or assumed by such company having a principal amount or par or stated value (or, if no par or stated value, a liquidating value) amounting to 2 per cent or more of the total assets of such company; and such company is in default in payment of interest or principal on any issue of funded indebtedness, or is in receivership or bankruptcy, or is in arrears as to dividends on a class of stock entitled to cumulative preferred dividends, which stock such financial institutions owns in an amount having a par or stated value (or, if no par or stated value, a liquidating value) amounting to 2 per cent or more of the total assets of such company: *Provided*, That such financial institution either is not a trustee under any trust indenture or similar agreement with respect to any class of securities issued or assumed by such company or, if it is such a trustee, it is not, in its own right, a creditor of such company or the owner of any securities issued or assumed by such company other than of the class issued under such trust indenture or agreement; or

(3) Such company is and has been for 30 days or more in default in payment of principal or interest on a debt owing by it to such financial institution, or to a group including such financial institution and one or more other lenders who have designated such financial institution as the one to act on behalf of the group in connection with

such indebtedness: *Provided*, That such debt amounts to 2 per cent or more of the total assets of such company or that the amount loaned by such financial institution or the amount of its participation in any such joint loan amounts to either $500,000 or more, or 70 per cent or more of the maximum amount which, as of the close of the last calendar year prior to the date when such loan was made, such financial institution, under the laws applicable to its operations, had authority to lend to any one borrower, or if there was no such limitation on its lending power, to 7 per cent or more of its capital and surplus (including partners' balances) as of the close of such year: *And providing further*, That such financial institution is not a trustee under a trust indenture or similar agreement with respect to any class of securities issued or assumed by such company; or

(4) Such financial institution is trustee under one, and not more than one, trust indenture or similar agreement with respect to securities issued or assumed by such company: *Provided*, That neither such financial institution nor any company which, directly or indirectly, controls, is controlled by, or is under common control with, such financial institution is, in its own right, a creditor of such company or the owner of any securities issued or assumed by such company other than those issued under such trust indenture or agreement; or

(5) Such financial institution is executor, administrator, guardian, trustee, or other fiduciary and, in one or more such capacities, holds securities issued or assumed by such company, having a principal amount, or par or stated value (or, if no par or stated value, a liquidating value) amounting in the aggregate to 2 percent or more of the total assets of such company; and such company is in default in payment of interest or principal on any issue of funded indebtedness, or is in receivership or bankruptcy, or is in arrears as to dividends on a class of stock entitled to cumulative preferred dividends, which stock such financial institution holds in an amount having a par or stated value (or, if no par or stated value, a liquidating value) amounting to 2 percent or more of the total assets of such company;

but no such company shall have any such person as an officer if such person is also an executive officer of such financial institution. For purposes of this Rule the total assets of a company shall not be consolidated and shall be computed as of the end of the last calendar year, except that during the first three months of any year they shall be computed either as of the end of the last calendar year or the year before that, whichever would permit such company to have such person as an officer or director.

RULE 17C–9. *Filing of Statements with Respect to Certain Rules.*—Any registered holding company or subsidiary company thereof which has as an officer or director any person who has any financial connection which would make it unlawful for him to hold such position except for Rules 17C–4, 17C–7, or 17C–8 shall, on or before August 26, 1936 (or if such person is not then such an officer or director, within 30 days after he becomes such), file with the Commission a statement signed by such person, setting forth the facts by virtue of which it is deemed that such rule or rules are applicable. Similar statements shall also be filed within 30 days subsequent to each annual meeting of such company thereafter while such person remains an officer or director and continues such financial connection. A company having several such officers or directors may file a single statement signed by all of them. No form is prescribed for such statement. One original only need be filed, but, if acknowledgment is desired, a duplicate should also be filed.

RULE 17C–10. *Investment Bankers.*—A registered holding company or subsidiary company thereof may have as director, but not as an officer, a person who is an executive officer, director, partner, appointee, or representative of an investment banker, and who has no financial connections (as defined in Rule 17C–1) other than those permitted by this or by any other rule under Section 17 (c): *Provided*, That, while such person is a director of such company and for a period of six months after he ceases to be such, neither such company nor any associate company thereof shall enter into any financial transactions with such investment banker.

RULE 17C–11. *Independent Officers or Directors.*—(a) A registered holding company or subsidiary company thereof may have as an officer or director, or both, a person who is a director (other than a partner) of a financial institution and has no other financial connections (as defined in Rule 17C–1) other than those permitted by this Rule: *Provided*, That

(1) Such person is not an executive officer, partner, appointee, or representative of such financial institution; and

(2) Such person was an officer or director of such company on June 1, 1936; and

(3) Such person has no financial connections other than those which he held on June 1, 1936; and

(4) Such person is not an officer or director of any other such company which is not a member of the same holding company system; and

(5) Such company shall have filed or caused to be filed with the Commission a statement on Form U–17–3 as adopted June 30, 1936, signed by such officer or director and setting forth the information therein specified.

(b) Not more than two persons who are officers or directors of any such company shall be persons who are eligible to such position only by virtue of this Rule.

(c) This Rule shall expire not later than January 1, 1938.

Acting pursuant to the authority granted by the Public Utility Holding Company Act of 1935, particularly Section 3 (d) thereof, and finding such action necessary and appropriate in the public interest and for the protection of investors and consumers, and not contrary to the purposes of said Act, the Securities and Exchange Commission hereby amends Rule 3D–5 to read as follows:

RULE 3D–5. *Exemption of certain non-utility subsidiaries.*—(a) Any subsidiary company of a registered holding company, which subsidiary company is not (1) a public-utility or holding company, (2) an investment company or investment trust, including any company or trust which is a medium of investment in securities for the benefit of such holding company or its employees or officers, (3) a company engaged in the business of performing services or construction for, or selling goods to, associate public-utility companies, or (4) a company controlling, directly or indirectly, any company specified in (1), (2), or (3) above, shall be exempt from the obligations, duties, and liabilities imposed upon such company as a subsidiary company by any provision of the Act, except as otherwise provided in paragraphs (c) and (d) of this Rule.

(b) Any subsidiary company exempted under paragraph (a) of this Rule shall not be deemed a subsidiary company within the meaning of the provisions of Section 11 (f) and (g).

(c) The exemption provided from Section 9 (a) (1) by paragraph (a) of this Rule shall not be applicable to (1) any acquisition of securities of, or any interest in the business of, any company described in Clause (1), (2), (3), or (4) of paragraph (a) of this Rule, (2) any acquisition which will result in such subsidiary company becoming a company described in Clause (1), (2), (3), or (4) of paragraph (a) of this Rule, or (3) any acquisition where the aggregate amount of the gross consideration to be paid by such subsidiary company, on account of the transaction in question, or on account of such transaction and one or more other transactions relating to the same subject matter, will exceed $200,000.

(d) The exemption provided by paragraph (a) of this Rule shall not be applicable to Sections 12 and 13, nor to Section 15, insofar as any rule, regulation, or order under Section 15 may be expressly applicable to subsidiary companies exempted by this Rule.

By the Commission.

[SEAL] FRANCIS P. BRASSOR, *Secretary.*

[F. R. Doc. 1101—Filed, July 3, 1936; 12:56 p. m.]